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Electronically filed: December 3<sup>rd</sup>, 2020

*[PRO HAC VICE PENDING]*

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[Proposed] Special Litigation Counsel to

Kavita Gupta, Chapter 11 Trustee

GHANDI DEETER BLACKHAM

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[Proposed] Local Counsel for

Special Litigation Counsel to Kavita Gupta,

Chapter 11 Trustee

**UNITED STATES BANKRUPTCY COURT**

**FOR THE DISTRICT OF NEVADA**

In re:

Chapter 11

DESERT OASIS APARTMENTS, LLC,

Case No.: BK-S-18-12456-GS

Debtor.

Hearing Date: December 10, 2020

Hearing Time: 9:30 a.m.

Hearing Place: Telephonic, GS Courtroom

**REPLY TO OBJECTION TO APPLICATION OF THE CHAPTER 11 TRUSTEE  
FOR ORDER APPROVING EMPLOYMENT OF GHANDI DEETER BLACKHAM  
AS LOCAL COUNSEL FOR PACHULSKI STANG ZIEHL & JONES LLP  
AS PROPOSED SPECIAL LITIGATION COUNSEL**

Kavita Gupta, the duly appointed Chapter 11 Trustee in the above-captioned bankruptcy case (the “**Trustee**”), hereby files this reply to the Objection [ECF No. 213] (the “**Objection**”) filed by the United States Trustee for Region 17 (“**UST**”) filed to the *Application of the Chapter 11 Trustee for Order Approving Employment of Ghandi Deeter Blackham as Local Counsel for Pachulski Stang Ziehl & Jones LLP as Special Litigation Counsel* [ECF No. 190] (the “**Application**”) as follows:

1. The Application seeks to employ special counsel to investigate and object to the Claim<sup>1</sup> and pursuant to the engagement agreements. The Trustee has retained PSZJ to act as proposed Special Litigation Counsel and PSZJ has filed the required *Verified Petition for Permission to Practice in this Case Only by Attorney Not Admitted to the Bar of this Court* and an *Application to Employ*. The Trustee has retained and PSZJ has consented to the designation of GDB as local counsel.

2. The Objection raises the following issues: (a) the Trustee objects to the Application to the extent that it seeks compensation pursuant to Section 328(a) rather than Section 330; and (b) the Trustee contends that the conflicts check conducted by GDB is insufficient to establish that GDB does not have any of the connections set forth in FRBP 2014(a).

3. First, the request for relief in the Application shall be modified such that GDB shall seek compensation pursuant to Section 330 of the Code rather than Section 328(a). This should resolve this issue in its entirety.

4. Second, in regard to the UST's concern related to the conflicts check performed and disclosed in the Verified Declaration filed in support of the Application, GDB has made the additional investigation of potential adverse interests and has run through its conflict database all parties requesting special notice and all parties listed on creditor mailing matrix in all of the "Affiliated Cases" as defined in the UST's Objection.

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<sup>1</sup> All Capitalized terms shall have the same meaning as set forth in the Application unless otherwise defined herein.

1           5.       The necessary disclosures regarding this expanded conflict check are set forth  
2 in the Supplemental Declaration of Shara L. Larson (the “**Supplemental Declaration**”),  
3 submitted herewith.

4           6.       In addition to the issues raised in the Objection, the UST has informally  
5 requested a few additional acknowledgements be made by GDB to resolve the UST's concerns.  
6 Therefore, GDB acknowledges that GDB has a continuing duty to supplement disclosures  
7 required pursuant to Federal Rules of Bankruptcy Procedure 2014 and 2016. Additionally,  
8 GDB acknowledges that GDB has a fiduciary duty to the Chapter 11 Trustee.

9           7.       GDB also understands and acknowledges that the provision that “Client agrees  
10 to pay any fees and costs that are incurred by Attorney to collect fees, costs, or expenses from  
11 Client, including reasonable attorney's fees.” will be deemed stricken from the GDB  
12 engagement agreement with the Chapter 11 Trustee and will not be enforced. To be clear,  
13 striking this provision will not prohibit GDB from including time and costs incurred in the  
14 preparation of fee applications in the bankruptcy court.

15           8.       As set forth in the Application, to the best of the Trustee’s knowledge and as  
16 described in the supporting Larson Declaration and the Supplemental Declaration, GDB is  
17 “disinterested” as that term is defined in 11 U.S.C. section 101(14) in that it has no connection  
18 with the Trustee, the Debtor, the creditors, any other party-in-interest herein, their respective  
19 attorneys or professionals, the United States Trustee or any person employed in the Office of  
20 the United States Trustee. GDB also does not hold, or represent any entity having an adverse  
21 interest to the Debtor or the estate. GDB also does not employ any person who is related to a  
22 judge of this Court. Accordingly, GDB is qualified to represent the Trustee and serve as local  
23 counsel for special litigation counsel.

24           9.       Therefore, the Trustee seeks to employ and retain GDB pursuant to 11 U.S.C.  
25 sections 327(a) and 330 as local counsel to the estate’s proposed special litigation counsel, on  
26 a reduced hourly fee basis described below and to represent the Trustee in connection with the  
27 investigation and objection to the Claim. The Trustee respectfully requests that this Court  
28

1 approve the employment of GDB as special litigation counsel under Bankruptcy Code sections  
2 327(a) and 330 effective as of October 21, 2020.

3 DATED: this 3<sup>rd</sup> day of December, 2020.

4 By: /s/ Kavita Gupta  
5 Kavita Gupta, Chapter 11 Trustee

6 Submitted by:

7 /s/ Shara L. Larson  
8 GHANDI DEETER BLACKHAM  
9 Shara L. Larson, Esq.  
10 Nevada Bar No. 7786  
[Proposed] Local Counsel for Special  
Litigation Counsel to Kavita Gupta, Chapter 11 Trustee

**CERTIFICATE OF SERVICE**

On this 3<sup>rd</sup> day of December 2020, I served the following document(s):

REPLY TO OBJECTION TO APPLICATION OF THE CHAPTER 11 TRUSTEE FOR ORDER APPROVING EMPLOYMENT OF GHANDI DEETER BLACKHAM AS LOCAL COUNSEL FOR PACHULSKI STANG ZIEHL & JONES LLP AS PROPOSED SPECIAL LITIGATION COUNSEL

I served the above-named document(s) by the following means to the persons listed below  
(check all that apply):

  X        **a.      ECF System** (You must attach the "Notice of Electronic Filing," or list all persons and addresses and attach additional paper if necessary.)

ANTHONY W. AUSTIN on behalf of Creditor THE NORTHERN TRUST COMPANY  
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DAWN M. CICA on behalf of Defendant DAVID GAFFIN  
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DAWN M. CICA on behalf of Defendant HOWARD BULLOCH  
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DAWN M. CICA on behalf of Interested Party DAVID GAFFIN  
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KEVIN W COLEMAN on behalf of Plaintiff KAVITA GUPTA  
kcoleman@nutihart.com, nwhite@nutihart.com

KEVIN W COLEMAN on behalf of Trustee KAVITA GUPTA  
kcoleman@nutihart.com, nwhite@nutihart.com

JAMIE P. DREHER on behalf of Petitioning Creditor BRADLEY J. BUSBIN, AS TRUSTEE OF THE GONZALES CHARITABLE REMAINDER UNITRUST ONE

1 jdreher@downeybrand.com, mfrazier@downeybrand.com

2 KIMBERLY S. FINEMAN on behalf of Trustee KAVITA GUPTA  
3 kfineman@nutihart.com

4 EDMUND GEE on behalf of U.S. Trustee U.S. TRUSTEE - LV - 11, 11  
5 edmund.gee@usdoj.gov

6 TALITHA B. GRAY KOZLOWSKI on behalf of Plaintiff KAVITA GUPTA  
7 tgray@gtg.legal, bknotices@gtg.legal

8 TALITHA B. GRAY KOZLOWSKI on behalf of Trustee KAVITA GUPTA  
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10 STEVEN T GUBNER on behalf of Interested Party JEFFREY I. GOLDEN, TRUSTEE OF  
11 DESERT LAND  
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13 JUSTIN J. HENDERSON on behalf of Creditor JUNIPER LOAN SERVICING  
14 CORPORATION  
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16 TRACY M. O'STEEN on behalf of Defendant 10181 PARK RUN LLC  
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18 crobertson@carlyoncica.com;nrodriguez@carlyoncica.com;ccarlyon@carlyoncica.com

19 TRACY M. O'STEEN on behalf of Defendant COMPASS INVESTMENTS LLC  
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22 TRACY M. O'STEEN on behalf of Defendant THE RANCH LLC  
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25 TRACY M. O'STEEN on behalf of Defendant DAVID GAFFIN  
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28 TRACY M. O'STEEN on behalf of Defendant HOWARD BULLOCH  
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TRACY M. O'STEEN on behalf of Interested Party CITATION FINANCIAL, LLC,  
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1 TRACY M. O'STEEN on behalf of Interested Party COMPASS INVESTMENTS  
2 HOLDINGS, LLC

3 tosteen@carlyoncica.com,  
4 crobertson@carlyoncica.com;nrodriguez@carlyoncica.com;ccarlyon@carlyoncica.com

5 TRACY M. O'STEEN on behalf of Interested Party DESERT LAND LOAN ACQUISITION,  
6 LLC

7 tosteen@carlyoncica.com,  
8 crobertson@carlyoncica.com;nrodriguez@carlyoncica.com;ccarlyon@carlyoncica.com

9 TRACY M. O'STEEN on behalf of Interested Party DAVID GAFFIN

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11 crobertson@carlyoncica.com;nrodriguez@carlyoncica.com;ccarlyon@carlyoncica.com

12 TRACY M. O'STEEN on behalf of Interested Party HOWARD BULLOCH

13 tosteen@carlyoncica.com,  
14 crobertson@carlyoncica.com;nrodriguez@carlyoncica.com;ccarlyon@carlyoncica.com

15 ERIC R OLSEN on behalf of Interested Party WASH MULTIFAMILY LAUNDRY  
16 SYSTEMS, LLC

17 eolsen@gtg.legal

18 LENARD E. SCHWARTZER on behalf of Debtor DESERT OASIS APARTMENTS, LLC  
19 bkfilings@s-mlaw.com

20 U.S. TRUSTEE - LV - 11, 11  
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22 MARK M. WEISENMILLER on behalf of Interested Party WASH MULTIFAMILY  
23 LAUNDRY SYSTEMS, LLC

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25 MARK WRAY on behalf of Petitioning Creditor BRADLEY J. BUSBIN, AS TRUSTEE OF  
26 THE GONZALES CHARITABLE REMAINDER UNITRUST ONE

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28 \_\_\_\_\_ **b. United States mail, postage fully prepaid** (*List all persons and  
addresses. Attach additional paper if necessary.*)

\_\_\_\_\_ **c. Personal Service** (*List persons and addresses. Attach additional paper  
if necessary.*)

I personally delivered the document(s) to the persons at these addresses:

\_\_\_\_\_ For a party represented by an attorney, delivery was made by handing  
the document(s) at the attorney's office with a clerk or other person in charge, or if no  
one is in charge by leaving the document(s) in a conspicuous place in the office.

\_\_\_\_\_ For a party, delivery was made by handing the document(s) to the party or by leaving the document(s) at the person's dwelling house or usual place of abode with someone of suitable age and discretion residing there.

\_\_\_\_\_ **d. By direct email (as opposed to through the ECF System)** *(List persons and email addresses. Attach additional paper if necessary.)*

Based upon the written agreement of the parties to accept service by email or a court order, I caused the document(s) to be sent to the persons at the email addresses listed below. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

\_\_\_\_\_ **e. By fax transmission** *(List persons and fax numbers. Attach additional paper if necessary.)*

Based upon the written agreement of the parties to accept service by fax transmission or a court order, I faxed the document(s) to the persons at the fax numbers listed below. No error was reported by the fax machine that I used. A copy of the record of the fax transmission is attached.

\_\_\_\_\_ **f. By messenger** *(List persons and addresses. Attach additional paper if necessary.)*

I served the document(s) by placing them in an envelope or package addressed to the persons at the addresses listed below and providing them to a messenger for service. (A declaration by the messenger must be attached to this Certificate of Service.)

**I declare under penalty of perjury that the foregoing is true and correct.**

Dated this 3<sup>rd</sup> day of December 2020.

**GHANDI DEETER BLACKHAM**

Laura Schnetzer

/s/ Laura Schnetzer

Employee of Ghandi Deeter Blackham